February 12, 2026

Letter of Concern KS HB 2754

On behalf of PRA Group, Inc. and its wholly owned subsidiaries (collectively, "PRA"), I am writing to express our concern with the coerced debt legislation proposed in Kansas HB 2754. While PRA applauds the Committee for recognizing the need to provide consumers who are victims of coerced debt with much-needed protections and remedies, the language, as written, will create unintended consequences.

PRA is a publicly-traded company that, through its subsidiaries, purchases portfolios of consumer receivables from major banks. PRA partners with individuals as they repay their obligations, working toward financial recovery. We work with consumers to resolve their obligations and typically offer a discount on the face value of the debt. In addition, we typically charge no interest or fees on debt we purchase domestically. PRA is also a willing participant in any activity that combats unethical behavior that harms consumers and legitimate businesses.

We applaud this legislature's efforts to assist consumers undergoing difficult times due to coercion. However, there are several issues with the bill's current language that will create unintended consequences due to logistical impossibilities.

For example, in Section 3 on page 3, the text provides that a Creditor must notify a credit reporting agency within ten (10) business after receipt of a notice of coerced debt. As a matter of practice, most creditors report to the credit reporting agencies on a monthly basis, so the ten (10) business day timeframe introduces large logistical burdens. Addressing this language would allow creditors to more efficiently alert the credit reporting agencies of the existence of the coerced debt while protecting them from predatory plaintiff's attorneys who may use the strict timeframe to prey upon companies that are simply trying to follow the requirements of the bill.

Similarly, section (b) provides that a creditor must dismiss a lawsuit or cease garnishment within ten business days of receipt of a statement of coerced debt. However, under Kansas law, a creditor may not have the right to accomplish these requirements within the ten (10) day time period provided, for example, because in Kansas, after an answer is filed, any dismissal requires stipulation.

Additionally, the bill requires that the creditor must notify the consumer that the creditor is ceasing all attempts to collect the debt withing ten (10) business days. This strict requirement of "notifying" as opposed to "sending a notice" is predicated upon the consumer's receipt of the notice which is largely dependent on the U.S. Postal service, the timely receipt and reading of the notice, etc. These are all provisions outside the control of the creditor.

PRA supports the adoption of bill language that will provide consumers who are victims of coerced debt with needed protections and remedies under Kansas law. We would greatly enjoy the opportunity to work with the Committee on amendments that would make the language workable and that we could therefore support. This issue is a priority for our industry and for our company and PRA stands ready to work with the sponsor in any way we can to create a better outcome.

Thank you very much for your attention in this important matter. Please feel free to contact me directly if we may be of assistance.

Best regards,

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